

# **Public Retirement Systems Financial Transactions Report Instructions**



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California State Controller

Division of Accounting and Reporting  
**Local Government Reporting Section**

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## Introduction

The purpose of the Public Retirement Systems Financial Transactions Report is to collect specific financial related and statistical data on the state and local public retirement systems in California. The data compiled from this financial report is published in the *Public Retirement Systems Annual Report* for use by the State Legislature and the public. This annual report represents an effort toward determining the adequacy of funding for each of California's public retirement systems.

## General Instructions

### Filing Instructions:

General reporting instructions, electronic report format instructions, paper reporting forms, and applicable California laws and regulations related to the reporting requirements for preparing the Public Retirement Systems Financial Transactions Report are available on the California State Controller's Web site at <http://www.sco.ca.gov>.

### **Who Must File:**

California public employee retirement systems are required under Sections 7501 through 7504 of the Government Code, to furnish the Public Retirement Systems Financial Transactions Report and audited financial statements to the California State Controller on an annual basis. The format for the financial transactions report is prescribed by the California State Controller. An actuarial valuation report must also be filed at least every three years for Defined Benefit Plans. Public employee retirement systems that have either a Defined Benefit Plan or a Defined Contribution Plan must submit an annual report to the California State Controller.

### **What to File:**

The following reports must be filed by the deadline. Although the Public Retirement Systems Financial Transactions Report can be submitted in the prescribed electronic report format, **the signed Cover Page Form of the Public Retirement Systems Financial Transactions Report, a copy of the audited financial statements, and an actuarial valuation report (required for defined benefit plans only) must be mailed in paper form to complete filing requirements.**

- **Public Retirement Systems Financial Transactions Report**

The following forms must be completed for Defined Benefit Plans: Cover Page, General Information, Statement of Plan Net Assets, Additions, Deductions, Plan Membership Detail, Contributions Detail, Statement of Plan Identification, Statement of Funding Position, Schedule of Funding Progress, Schedule of Employer Contribution, Statement of Service Retirement Benefit Policies, and the Statement of Disability Benefit Policies.

The following forms must be completed for Defined Contribution Plans: Cover Page, General Information, Statement of Plan Net Assets, Additions, Deductions, Plan Membership Detail, and Contributions Detail.

## General Instructions - (Continued)

### Filing Instructions - (Continued):

- **Audited Financial Statements**

The audited financial statements requirement can be satisfied by any of the following methods:

1. A separate independent audit report of the retirement system;
2. A Comprehensive Annual Financial Report, if the audited report includes statements and disclosures required by Governmental Accounting Standards Board Statement No. 25; or
3. Submitting the Public Retirement Systems Financial Transactions Report together with an independent auditor's opinion letter attesting to conformity with generally accepted accounting principles and note disclosures required by Governmental Accounting Standards Board Statement No. 25.

For additional information concerning audit requirements, refer to the California State Controller's *Minimum Audit Requirements and Reporting Guidelines for Public Retirement Systems* available on the California State Controller's Web site at <http://www.sco.ca.gov/ard/local/locprep/retirement/audreqs.pdf>.

- **Actuarial Report** (Applies to defined benefit plans only)

For defined benefit plans, the most recent actuarial report is requested. Government Code section 7504 requires an actuarial valuation to be performed at least every three years while Governmental Accounting Standards Board Statement No. 25 requires an actuarial valuation be performed at least every two years. However, if the retirement system has an annual actuarial report, please submit this report annually.

### **When to File:**

**The report is due within six months of the agency's fiscal year end.** For an agency whose fiscal year ends June 30, the report is due December 31. Be advised that there is no statutory authority for the California State Controller to grant extensions for filing this report. Pursuant to Government Code section 7504, a public retirement system is subject to the penalty provided for in Government Code section 53895 for failure to file a financial report within 20 days of receiving the required follow-up notification from the California State Controller.

### **How to File:**

All reports must be filed by the respective deadline via one of the following methods. Reports can be filed via the Internet File Transfer Protocol process, U.S. Mail, or Express Mail.

## **General Instructions - (Continued)**

### **Filing Instructions - (Continued):**

#### **By File Transfer Protocol:**

The electronic report can be filed via your agency's File Transfer Protocol or by using your Web browser. Please refer to the Automated Report Guidelines available both on the compact disc mailed and on the California State Controller's Web site at <http://www.sco.ca.gov/ard/local/locprep/guidelines.pdf>. Please remember that the signed Cover Page Form must be mailed to the California State Controller's Office to complete filing requirements along with the audited financial statements and an actuarial valuation report (if required).

#### **By U.S. Mail:**

California State Controller's Office  
Division of Accounting and Reporting  
Local Government Reporting Section - **Retirement Unit**  
P.O. BOX 942850  
Sacramento, CA 94250-5875

#### **By Express Mail:**

California State Controller's Office  
Division of Accounting and Reporting  
Local Government Reporting Section – **Retirement Unit**  
3301 C Street, Suite 700  
Sacramento, CA 95816

### **Reporting Instructions:**

#### **Electronic Report Format:**

A compact disc (CD) will be mailed to each agency containing the electronic reporting forms and instructions for preparing the Public Retirement Systems Financial Transactions Report. The automated reporting instructions provide a step-by-step guide on using the electronic reporting forms and the electronic filing of the completed report. A file containing your reported data will be generated once you complete your electronic report. This file can be submitted to the California State Controller's Office via the Internet. If you do not have access to the Internet to file electronically using the File Transfer Protocol, the completed electronic report can be copied to a diskette and mailed to the California State Controller's Office at the address above.

## **General Instructions - (Continued)**

### **Reporting Instructions- (Continued):**

#### **Paper Reports:**

Reporting forms and instructions can be printed from the electronic format report provided on the CD and are also available via the Internet at <http://www.sco.ca.gov/ard/local/locrep/retirement/retireforms.pdf>. If you do not have access to a CD-ROM or the Internet, you can call (916) 445-5153 to request that forms and instructions be mailed to you.

#### **Report Preparation Assistance:**

The answers to commonly asked questions can be found in these instructions. If an agency needs additional assistance, please contact the appropriate division of the California State Controller's Office as follows:

Questions on the financial transactions report, actuarial report, or audit requirements should be directed to the California State Controller's Office, Division of Accounting and Reporting, Local Government Reporting Section at (916) 445-5153, or for the hearing impaired TDD only at (916) 323-4991.

## **Cover Page Form:**

This form allows the fiscal officer responsible for the report to signify, by signing, that he or she has reviewed the agency's report and is submitting the report on behalf of the agency. The Cover Page Form must be submitted in paper form to the California State Controller's Office to complete filing requirements for this report.

### **Electronic Reports**

The Cover Page Form can only be generated by the electronic report after all items entered on the report are validated by the electronic reporting program. The signed cover page must be submitted in paper form to complete filing requirements for the report.

### **Paper Reports**

If preparing a paper report, please provide the agency's name, 11-digit identification number, and the fiscal year of the report. The signed Cover Page Form must be submitted in paper form to complete filing requirements.



## General Information Form:

The purpose of this form is to report pertinent non-financial data about the public retirement system, the retirement system administrator, the preparer of the report, the system's independent auditor, and the system's actuary. Please provide all information requested. It is important to provide information relating to who prepared the report and his or her telephone number, in the event that California State Controller's staff have questions while reviewing the report.

To help expedite the review of the reports, please be sure that all items are entered accurately. Your attention to the following details is appreciated:

### Mailing Address:

#### Street 1 and Street 2

Use these lines to report the primary address where agency receives U.S. mail.

#### Retirement Administrator

Please provide the full name and title of the retirement administrator. All correspondence from California State Controller's Office will be mailed to his/her attention. Please do not put the name of a company or corporation. We need the name of the person responsible for reporting the system's transactions.

#### Is Address Changed?

Please remember to check this box when address changed.

#### Report Prepared By: (Contact Person)

Report the full name, address, and phone number of the person who prepared the report submitted. This person will be the primary contact if the State Controller's staff have questions while reviewing the report.

#### Independent Auditor:

Report the firm name and the full name, address, and phone number of the person responsible for the agency's independent audit report. This person will be a secondary contact if the State Controller's staff have questions while reviewing the audit report.

#### Additional Information:

In case of a defined contribution plan, please indicate that the plan is a defined contribution plan (DCP) in the text box or footnote field.

#### Actuary/Actuary Firm

Report the firm name and the full name, address, and phone number of the person responsible for the agency's actuarial valuation report. This person will be a secondary contact if the California State Controller's staff have questions while reviewing the actuarial valuation report.

## **General Information Form -(Continued):**

### **Date of Valuation Report**

Report the "as of" date of the most recent actuarial valuation report that has been used to prepare the report. Enter in the MM/DD/YYYY format. For example: 06/30/2002 would be reported for an "as of" date of June 30, 2002.

### **Type of Plan**

Report the type of plan for which this report is being prepared (i.e., defined benefit plan or defined contribution plan).

## **Comment Form:**

The purpose of this form is to report any general comments the reporting agency has on items reported, suggestions for improving the report, or other comments that the reporting agency would like to communicate to California State Controller's Office staff.

## **Statement Of Plan Net Assets - Assets Form:**

The purpose of this form is to report the assets of the public retirement system. Investments should be reported at their fair value as defined in Governmental Accounting Standards Board Statement No. 25. For all securities lending transactions, the governmental entity should report the underlying securities (the securities loaned to the broker/dealer) as assets in its statement of net assets. These investment assets should be reported in the appropriate investment category on this form.

### **Specific Instructions:**

Do not report amounts from **Postemployment Healthcare Plans** administered by a defined benefit pension plan.

### **Assets:**

#### **Cash and Cash Equivalents**

Report all cash on hand and cash on deposit in banks and public treasuries. Include savings and passbook accounts.

### **Receivables:**

#### **Contributions**

Report member and employer retirement contributions accrued but not yet received.

#### **Investments**

Report the accrued interest and dividends on cash deposits, bonds, and other negotiable instruments and investments. Include receivables for investments sold. Any receivables for securities lending should be reported at gross value. Do not net against any liabilities for securities purchased or borrowed.

#### **Other**

Report receivables that cannot be properly classified under categories otherwise provided.

### **Investments, at Fair Value:**

#### **U. S. Government Obligations**

Report U.S. government bonds and government agency bonds (e.g. Federal Land Bank and Federal Home Loan Banks).

#### **International Bonds**

Report all investments in obligations of foreign governments and corporations.

#### **Municipal Bonds**

Report all investments in bonds issued by municipalities in the United States.

#### **Domestic Corporate Bonds**

Report all investments in bonds issued by domestic corporations

## **Statement Of Plan Net Assets - Assets Form - (Continued):**

### **Domestic Stocks**

Report investments in both preferred and common stock issued by domestic corporations.

### **International Stocks**

Report investments in both preferred and common stock issued by corporations that are not considered domestic in origin.

### **Mortgages**

Report investment in Federal Housing Administration (FHA) insured, Veteran Administration (VA) guaranteed, and conventional single-family loans, FHA project loans, Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC) and private-placement mortgage backed securities.

### **Real Estate**

Report investments in real estate properties such as land and buildings. Do not include system fixed assets.

### **Venture Capital**

Report investments of venture capital.

### **Short Term Investments**

Report time certificates of deposits, treasury bills, money market accounts, banker acceptances, commercial and finance paper, funds invested in the state administered Local Agency Investment Fund (LAIF) or the Surplus Money Investment Fund (SMIF).

### **Other Investments**

Report investments that cannot be properly classified under investment categories listed above. Include direct financing leases and unallocated insurance contracts and mutual fund investments.

### **Fixed Assets (Net of Accumulated Depreciation)**

Report capitalized assets at historical cost or fair market value on date received, net of accumulated depreciation.

### **Other Assets:**

Report those assets that cannot be reasonably categorized under the asset classifications otherwise provided (e.g., long-term receivables and/or prepaid expenses).

### **Total Assets:**

The electronic report will calculate **Total Assets**. If preparing a paper report, enter the sum of all amounts reported as assets.

## Statement Of Plan Net Assets - Liabilities Form:

The purpose of this form is to report the liabilities of the public retirement system. Plan liabilities generally consist of benefits and refunds due to plan members and beneficiaries and accrued investment and administrative expenses. Plan liabilities for benefits and refunds should be recognized when due and payable in accordance with the terms of the plan. All other plan liabilities should be recognized on the accrual basis. Include benefits due but unpaid, employer and member contributions received in advance, and accrued expenses. PERS liabilities are usually short-term in nature.

### Specific Instructions:

Do not report amounts from **Postemployment Healthcare Plans** administered by a defined benefit pension plan.

### Liabilities:

#### Accounts Payable

Report all accounts that are due and payable, but unpaid, at the balance sheet date including unpaid benefits. Also include all member and employer refunds due and payable, but unpaid at the date of the balance sheet.

#### Investment Purchases Payable

Report current payables due for investment acquisitions.

#### Accrued Expenses

Report all plan expenses accrued but unpaid at the balance sheet date. Report all liabilities for securities borrowed at gross value. Do not net accrued expenses against any receivables for securities sold or lent.

#### Other Liabilities

Report all other liabilities which cannot be properly classified under the liability categories otherwise provided. Include on this line any amounts received as collateral for securities lending.

#### Total Liabilities

The electronic report will calculate **Total Liabilities**. If preparing a paper report, enter the sum of all amounts reported as liabilities.

#### Net Assets Available For Benefits

The electronic report will calculate **Net Assets Available For Pension Benefits**. If preparing a paper report, enter the amount of **Total Assets** minus **Total Liabilities**. This amount **must agree** with the **End of Year Net Assets Held in Trust for Pension Benefits** located on the Deduction Schedule.

## Statement Of Changes In Plan Net Assets - Additions Form:

The purpose of this form is to report all additions to the public retirement plans. Report the employer, employee, and other contributions for each specific plan. Also report all additions resulting from investment of the plan assets.

### Contributions:

#### Employer Contributions

Report the amount of employer contributions. For plans with both general and safety employee categories, please separate the total employer contribution amount into amounts contributed for the general membership category and the safety membership category. If unable to separate employer contribution amounts between general and safety, enter the contribution amount that can not be separated in the category titled "Combined". **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

#### Employee Contributions

Report the amount of employee contributions. Include subsidies of employee contributions by the employer. For plans with both general and safety employee categories, please separate the total employee contribution amount into amounts contributed from the general membership category and the safety membership category. If unable to separate employee contribution amounts between general and safety, enter the contribution amount that can not be separated in the category titled "Combined." **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

#### Other Contributions

Report contributions from sources other than the employer(s) and employees. For defined benefit systems, contributions that are not actuarially determined (i.e. pay-as-you-go) should be reported here. If unable to separate other contribution amounts between general and safety, please enter the other contribution amount that can not be separated in the category titled "Combined." **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

### Investments:

#### Interest

Report monies earned on cash deposits, bonds, and other investments. Include amortization of premiums and discounts on debt securities and interest income on leases.

#### Dividends

Report earnings and distributions from stocks.

#### Net Appreciation (Depreciation) in Fair Value of Investments

Report realized gains and losses of investments bought and sold during the reporting period and unrealized gains and losses resulting from the appreciation or depreciation in the fair value of investments held during the year. The amount reported on this line should not be net of investment management and custodial fees. Investment management and custodial fees

## **Statement Of Changes In Plan Net Assets - Additions Form - (Continued):**

should be included in the amount reported for administrative expenses on the **Statement of Changes in Plan Net Assets - Deductions Form**.

### **Other Investment Revenue**

Report all other investment income.

### **(Investment Expense)**

Report all investment-related expenses as a negative value.

### **Other Revenue**

Report other revenues for which a reporting category is not otherwise provided.

### **Total Additions**

The electronic report will calculate **Total Additions**. If preparing a paper report, enter the sum of all amounts reported on this form.



## Statement Of Changes In Plan Net Assets - Deductions Form:

The purpose of the form is to report all deductions from the public retirement system's plan assets and determine the net assets available at the end of the year for pension benefits.

### Benefit Payments:

#### Service Retirement

Report pension, annuity, cost-of-living, and lump sum payments due to service retirement. Also include survivor continuance benefits. If unable to separate service retirement benefits payment amounts between general and safety, please enter the retirement benefits payment amount that can not be separated in the category titled "Combined." **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

#### Disability

Report payments including cost-of-living allowances to members retired due to total and permanent disability, or payments due to partial and temporary disability. If unable to separate disability benefits payment amounts between general and safety, please enter the disability benefits payment amount that can not be separated in the category titled "Combined." **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

#### Other Benefit Payments

Report payments made to members from employer contributions prior to normal or early retirement age, death benefits, life insurance premium payments, and other ancillary benefit payments. Do not include payments made for postemployment healthcare benefits. If unable to separate other benefits payment amounts between general and safety, please enter the other benefits payment amount that can not be separated in the category titled "Combined." **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

#### Member Refunds

Report a refund of contributions, including interest, to a member upon separation from service, to the member's beneficiary upon his/her death, or to the employer. If unable to separate refund payment amounts between general and safety, please enter the refund amount that can not be separated in the category titled "Combined." **However, do not enter benefit payments in "Combined" if either "General" or "Safety" is also used.**

#### Administrative Expense

Report administrative and management costs pertaining to the retirement system. Include investment counseling fees, actuarial services, and audit service costs in this category.

#### Other Expenses

Report all other expenses for which a reporting category is not otherwise provided.

#### Total Deductions

The electronic report will calculate Total Deductions. If preparing a paper report, enter the sum of all amounts reported as deductions.

## **Statement of Changes In Plan Net Assets - Deductions Form - (Continued):**

### **Net Increase (Decrease) in Plan Assets**

The electronic report will calculate the **Net Increase (Decrease) in Plan Assets**. If preparing a paper report, enter the difference between Total Additions reported on the **Statement of Changes in Plan Net Assets - Additions Form** and Total Deductions reported on the **Statement of Changes in Plan Net Assets - Deductions Form**.

### **Beginning Of The Year Net Assets Held In Trust For Pension Benefits**

The electronic report will carry forward the amount reported as **End of Year Net Assets Held in Trust for Pension Benefits** from the agency's prior year report. If preparing a paper report, enter the amount reported as **End of Year Net Assets Held in Trust for Pension Benefits** from the agency's prior year report.

### **Adjustment**

Report adjustments to **Net Assets Held in Trust for Pension Benefits** that should not be included as additions or deductions in the **Statement of Changes In Plan Net Assets**. Examples would be adjustments due to an accounting principle change or prior period adjustments. If this is the first report filed by the agency, or the agency did not file a report in the prior year, report the **Beginning of the Year Net Assets Held in Trust for Pension Benefits** as an adjustment. Please describe the nature of the adjustment.

### **End of the Year Net Assets Held in Trust for Pension Benefits:**

The electronic report will calculate the **End of Year Net Assets Held in Trust for Pension Benefits**. If preparing a paper report, enter the sum of **Net Increase (Decrease) in Plan Assets**, **Beginning of the Year Net Assets Held in Trust for Pension Benefits**, and **Adjustments**.

## **Plan Membership - Employee Members Form:**

The purpose of this form is to report statistical data about the plan membership as of the agency's fiscal year end. Report the respective information for each plan tier.

### **Member Type**

Identify the type of membership as General or Safety.

### **Tier**

Identify the member tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not Safety Tiers IV, V, or VI.**

### **System Status**

Report the plan's system status by selecting either Open or Closed. If preparing a paper report, enter "1" for Open status and "2" for Closed status.

### **Employee Members:**

#### **Active:**

Active members are those employees that are members of the plan by virtue of complying with the requirements of eligibility for participation.

#### **Vested**

Report the number of active members that are either partially or fully vested in the plan.

#### **Non-Vested**

Report the number of active members that have no vested rights in the plan.

#### **Inactive Vested:**

Report the number of members who have terminated employment and are entitled to benefits at some future date.

### **Retired Members:**

#### **Service Retired**

Report the number of members currently drawing benefits after completion of a specified minimum period of service, or attainment of a specified age.

#### **Service Disability**

Report the number of members currently receiving a service connected disability pension or benefit.

## **Plan Membership - Employee Members Form - (Continued):**

### **Ordinary Disability**

Report the number of members currently receiving a non-service connected disability pension or benefit.

### **Survivors**

Report the number of beneficiaries of former members drawing benefits.

### **Total**

The electronic report will calculate the **Total**. If preparing a paper report, enter the sum of the number of members reported for each tier in all the **Employee Member** categories listed. This amount of **Total Members** must agree with the **Total** in **Employer Members Form**.

## Plan Membership – Employer Members Form:

The purpose of this form is to report the statistical data of different public agencies as employers and their members that participate in the plan.

### Number of Agencies

Report the total number of employers under different agency category: State, Counties, Cities, Special Districts, School Districts, and other. The electronic report will calculate the **Total Members**. If preparing a paper report, enter the sum of **Number of Agencies** under each category in **Total Members**.

### Number of Members

Report the total number of members who have contracted for retirement benefits or are participants in the retirement program in each kind of agency, State, Counties, Cities, Special Districts, and Other. The electronic report will calculate the **Total Members**. If preparing a paper report, enter the sum of **Number of Members** under each category in **Total Members**. This amount of **Total Members** must agree with the **Total** in **Employee Members Form**.

## Plan Membership - Members' Annual Payroll Form:

The purpose of this form is to report the amount of annual payroll that is the basis for the contribution rates to a plan.

### Member Type

Identify the type of membership by selecting either General or Safety.

### Member Tier

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### Members' Annual Payroll

Enter total active members covered payroll amount for each member type and tier. **Covered payroll is defined as the amount of annual payroll that is the basis for the contribution rates.** This payroll amount usually excludes overtime pay and bonuses.

### Total Payroll

The electronic report will calculate the **Total Payroll**. If preparing a paper report, enter the sum of **Total Payroll** amounts reported for both General and Safety members.

## **Contribution - Employer and Employee Rates - Recommended by Actuary Form:**

The purpose of this form is to report the employer and employee contribution rates recommended by the plan's actuary for the fiscal year being reported.

### **Specific Instructions:**

These rates are expressed as a percentage of covered payroll and should be increased or decreased to reflect the affect of subsidies and transfers. Rates reported should include a provision of cost of living adjustments. For those systems that are integrated with Social Security, the rate reported on this form should be the rate applicable to the amount of salary above the Social Security wage base. Rates should be reported as a percentage rounded to the nearest hundredth (e.g., 99.99)

### **Member Type**

Identify the type of membership by selecting either General or Safety.

### **Member Tier**

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Employer Rates:**

#### **Normal Cost**

Report the rate(s) recommended by the plan's actuary to fund the cost of benefits assumed to have accrued during the year under the plan's funding method.

#### **UAAL Amortization**

Report the rate(s) recommended by the plan's actuary to amortize the Unfunded Actuarial Accrued Liability.

#### **Total**

The electronic report will calculate the **Total**. Report the sum of the **Normal Cost** and **UAAL Amortization** rates reported.

### **Employee Rates:**

#### **Age 25**

Report the employee rate recommended by the plan's actuary for age 25.

#### **Age 35**

Report the employee rate recommended by the plan's actuary for age 35.

#### **Age 45**

Report the employee rate recommended by the plan's actuary for age 45.

## **Contribution - Employer and Employee Rates - Recommended by Actuary Form - (Continued):**

### **Single Rate**

Report the single rate recommended by the plan's actuary.



## **Contribution - Employer and Employee Rates - Adopted by Governing Body Form:**

The purpose of this form is to report the employer and employee contribution rates adopted by the plan's governing body that were in effect at fiscal year end. These rates are expressed as a percentage of covered payroll.

### **Specific Instructions:**

Rates should be reported as a percentage rounded to the nearest hundredth (e.g., 99.99).

### **Member Type**

Identify the type of membership by selecting either General or Safety

### **Member Tier**

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Employer Rates:**

#### **Normal Cost**

Report the rate(s) adopted by the plan's governing body to fund the cost of benefits accrued during the year under the plan's funding method.

#### **UAAL Amortization**

Report the rate(s) adopted by the plan's governing body to amortize the Unfunded Actuarial Accrued Liability.

#### **Total**

The electronic report will calculate the **Total**. Report the sum of the **Normal Cost** and **UAAL Amortization** rates reported.

### **Employee Rates:**

#### **Age 25**

Report the employee rate adopted by the plan's governing body for age 25.

#### **Age 35**

Report the employee rate adopted by the plan's governing body for age 35.

#### **Age 45**

Report the employee rate adopted by the plan's governing body for age 45.

#### **Single Rate**

Report the single rate adopted by the plan's governing body.

## **Contributions - Contribution Amounts Form:**

The purpose of this form is to report the amount of funds required to be contributed annually by the employer as determined by the plan's actuary. This amount should include the employer's normal cost and a provision(s) for amortizing the total unfunded actuarial accrued liability.

### **Specific Instructions:**

Report the amount in whole dollars only. Do not round to thousands or millions.

### **Annual Required Contributions (ARC)**

Report the dollar amount of the annual required contribution of the employer as determined by the system's actuary. This amount should include the employer's normal cost and a provision(s) for amortizing the total unfunded actuarial accrued liability.

### **Contributions Made**

The electronic report will calculate the **Contribution Made**. If preparing a paper report, enter the sum of Employer Contributions and Other Contributions.

### **Percentage of ARC Recognized**

The electronic report will calculate the **Percentage of ARC Recognized**. If preparing a paper report, divide **Contributions Made** by **Annual Required Contributions (ARC)** and enter the result on this line in percentage rounded to nearest tenth (e.g., 99.9).

## **Statement of Plan Identification, Actuarial Economic Assumptions, and Actual Rate of Return - Economic Assumption Rates Form:**

The purpose of this form is to report the type of plan for which data is being reported and the actuarial economic assumption rates adopted by the plan actuary.

### **Specific Instructions:**

Rates should be reported as a percentage rounded to the nearest hundredth (e.g., 99.99).

### **Select Plan**

Identify the type of plan (i.e., single-employer plan, agent multiple-employer plan, or cost-sharing multiple-employer plan).

### **Return on Investments:**

#### **Real Rate of Return**

Report the expected investment rate of return, excluding inflation used in the actuarial valuation. This rate will consist of the risk free and risk premium portions of the valuation interest rate. The risk free rate is defined as the rate that would prevail if the investment were 100 percent secure as to principal and income. The risk premium is defined as the premium demanded by investors for the possibility of loss of principal or income.

#### **Inflation Component**

Report the portion of the total interest rate assumed for inflation in the actuarial valuation.

#### **Total**

The electronic report will calculate **Total**. If preparing a paper report, enter the sum of the **Real Rate of Return** and the **Inflation Component**.

### **Salary Scale:**

#### **Merit, Longevity, and Productivity**

Report the portion of the salary scale assumed for merit, longevity, and productivity increases. It may be necessary to approximate an average rate since most merit scales have salaries increasing during the employee's younger ages and leveling off as retirement approaches.

#### **Inflation Component**

The electronic report will calculate the assumed actuarial inflation component. If preparing a paper report, enter the assumed inflation rate used in the actuarial valuation, which should be the same amount as the total interest rate reported for **Return on Investments, Inflation Component**.

**Statement of Plan Identification, Actuarial Economic Assumptions, and Actual Rate of Return - Economic Assumption Rates Form - (Continued):**

**Total**

The electronic report will calculate **Total**. If preparing a paper report, enter the sum of **Merit, Longevity, and Productivity** and the **Inflation Component** on this line.

## **Statement of Plan Identification, Actuarial Economic Assumptions, and Actual Rate of Return – Rate of Return Form:**

The purpose of this optional form is to report the actual rates of return for the past one year, three year, and five year periods.

### **Specific Instructions:**

Report the respective actual rate of return as a percentage rounded to the nearest hundredth (e.g., 99.99).

### **Dollar-Weighted Rate of Return**

If available, report the dollar-weighted rate of return on total fund assets for the past one year, three year, and five year periods in the respective fields.

### **Time-Weighted Rate of Return**

If available, report the time-weighted rate of return on total fund assets for the past one year, three year, and five year periods in the respective fields

## **Statement of Funding Position and UAAL Amortization Method - Funding Position Form:**

The purpose of this form is to report the funding position under the actuarial assumptions adopted by plan's actuary.

### **Specific Instructions:**

#### **Valuation Date**

Report the "as of" date of the actuarial valuation report from which the following information is taken. Use MM/DD/YYYY format for this field. For example: 06/30/2004 would be reported for an "as of" date of June 30, 2004. It should be the same as the date given on the General Information Page.

#### **Name of Actuary**

Report the firm's name of the plan's actuary. It should be the same as named on the General Information page.

#### **Actuarial Accrued Liability**

Report the Actuarial Present Value of pension benefits which is not provided for by future normal costs. This amount should be determined using one of the six actuarial cost methods permitted by the Governmental Accounting Standards Board Statement No. 25.

#### **Actuarial Value of Assets**

Report the value of plan assets as reported by the plan's actuary.

#### **Unfunded Actuarial Accrued Liability (UAAL)**

The electronic report will calculate the **UAAL**. If preparing a paper report, enter the difference of the **Actuarial Accrued Liability** minus the **Actuarial Value of Assets**.

#### **Funded Ratio**

The electronic report will calculate the **Funded Ratio**. If preparing a paper report, divide the **Actuarial Value of Assets** by the **Actuarial Accrued Liability** and enter the result on this line as a percentage rounded to the nearest tenth (e.g., 99.9).

#### **Annual Covered Payroll (ACP)**

Report the amount of compensation paid to active employees on which contributions to a pension plan are based. The electronic report will calculate the ACP. If preparing a paper report, enter the sum of general and safety members' annual payroll (i.e., the sum of column 7, line 13 and line 14) found on form LGRS 704.

#### **UAAL as a Percentage of ACP (%)**

The electronic report will calculate this rate. If preparing a paper report, divide the **Unfunded Actuarial Accrued Liability** by the **Annual Covered Payroll** and enter the result on this line in percentage form rounded to the nearest tenth (e.g., 99.9).

## **Statement of Funding Position and UAAL Amortization Method - Funding Position Form - (Continued):**

### **Method Used to Determine Actuarial Accrued Liability**

Select the actuarial method used to calculate actuarial accrued liability from the drop down list. If preparing a paper report, enter the applicable code listed in the legend.

### **Please Specify "Other" Method**

Report the Other method used if not provided for otherwise, and footnote the reason for the use of a method other than those accepted for financial reporting purposes by the Governmental Accounting Standards Board Statement No. 25. If preparing a paper report, please describe the reason for using this method on the **Comments Form**.

## **Statement of Funding Position and UAAL Amortization Method - Unfunded Actuarial Accrued Liability Amortization Form:**

The purpose of this form is to report information related to the Unfunded Actuarial Accrued Liability (UAAL) amortization.

### **Specific Instructions:**

Report the information related to the amortization of the system's unfunded actuarial liability.

### **Method Used to Amortize the Total Unfunded Actuarial Liability**

Identify the amortization method used. If preparing a paper report, enter the code of the method being used to amortize the UAAL from the legend provided on this form.

### **Please Specify "Other" Method**

Report the method used if not provided for otherwise, and footnote the reason for the use of a method other than those accepted for financial reporting purposes by the Governmental Accounting Standards Board Statement No. 25. If preparing a paper report, please describe the reason for using this method on the **Comments Form**.

### **Total Unfunded Actuarial Liability Amortization Period (In Years)**

Report the number of years over which the total unfunded actuarial accrued liability is being amortized. Report in whole numbers only.

### **Years Remaining in Total Unfunded Actuarial Liability Amortization Period**

Report the number of years remaining (from the valuation date) in the amortization period. Report in whole numbers only.

### **Year Which the Total Unfunded Actuarial Liability is Expected to be Fully Amortized**

Report the year in which the total unfunded actuarial liability is expected to be fully amortized. Report using a YYYY format (e.g., 2001).



## Funding Progress – Schedule of Funding Progress Form:

The purpose of this form is to report the funding position for the past five consecutive reporting periods.

### Specific Instructions:

This form is to be completed only by the public retirement system in its initial year of reporting to the California State Controller. Report the requested information for each of the past five reporting periods. Complete a separate entry for each reporting period.

### Fiscal Year

Identify the fiscal year for which the information is being reported.

### Actuarial Valuation Date

Report the "as of" date of the actuarial valuation report from which the following information is taken. Enter in the MM/DD/YYYY format. For example, 6/30/2004 would be reported for an "as of" date of June 30, 2004.

### Actuarial Accrued Liability

Report the Actuarial Present Value of pension benefits which is not provided for by future normal costs. This amount should be determined using one of the six actuarial cost methods permitted by the Governmental Accounting Standards Board Statement No. 25.

### Actuarial Value of Assets

Report the actuarial value of plan assets as reported by the plan's actuary.

### Total Unfunded Actuarial Accrued Liability (UAAL)

The electronic report will calculate the **UAAL**. If preparing a paper report, enter the sum of the **Actuarial Accrued Liability** minus the **Actuarial Value of Assets**, and enter the result on this line.

### Funded Ratio (%)

The electronic report will calculate the **Funded Ratio**. If preparing a paper report, divide the **Actuarial Value of Assets** by the **Actuarial Accrued Liability** and enter the result on this line. Report the amount as a percentage rounded to the nearest tenth (e.g., 99.9).

### Annual Covered Payroll (ACP)

Report the amount of compensation paid to active employees on which contributions to a pension plan are based.

### UAAL as a Percentage of ACP (%)

The electronic report will calculate this rate. If preparing a paper report, divide the **Unfunded Actuarial Accrued Liability** by the **Annual Covered Payroll** and enter the result on this line. Report the amount as a percentage rounded to the nearest tenth (e.g., 99.9).

## **Employer Contributions - Schedule of Employer Contributions Form:**

The purpose of this form is to report the employer's contribution status for the past five consecutive reporting periods.

### **Specific Instructions:**

This form is to be completed only by the public retirement system in its initial year of reporting to the California State Controller. Report the requested information for each of the past five fiscal years. Complete a separate entry for each fiscal year.

### **Past Fiscal Year**

Identify the fiscal years applicable to the information reported.

### **Annual Required Contributions (ARC)**

Report the dollar amount of the annual required contribution of the employer as determined by the system's actuary. This amount should include the employer's normal cost and a provision(s) for amortizing the total unfunded actuarial accrued liability.

### **Contributions Made**

Report the dollar amount of contributions made by the employer and other contributions.

### **Percentage of ARC Recognized (%)**

The electronic report will calculate this rate. If preparing a paper report, divide **Contributions Made** by **Annual Required Contributions (ARC)** and report the result on this line. Report the amount as a percentage rounded to the nearest tenth (e.g., 99.9).

## **Statement of Service Retirement Benefit Policies - Eligibility Form:**

The purpose of this form is to report the eligibility of retirement benefit policies adopted by the employer for the service retired employees.

### **Specific Instructions:**

This form is to be completed by the public retirement system in its initial year of reporting to the California State Controller, and whenever service retirement benefit policies are changed.

### **Member Type**

Identify the type of membership by selecting either General or Safety.

### **Tier**

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Age**

Report the different minimum ages that will qualify the employees for service retirement benefits.

### **Years of Service**

Report the different minimum service years required to qualify employees for retirement benefits.

### **Age Regardless of Service**

Report the age that will qualify employees for service retirement benefits, regardless of the number of years of service of the employees.

### **Years of Service Regardless of Age**

Report the service years required to qualify employees for service retirement benefits, regardless of the age of the employees.

## **Statement of Service Retirement Benefit Policies - Cost of Living Form:**

The purpose of this form is to report the method adopted by the employers regarding the cost of living adjustment (COLA).

### **Specific Instructions:**

This form is to be completed by the public retirement system in its initial year of reporting to the California State Controller, and whenever service retirement benefit policies are changed. Identify the basis used to grant the COLA from one of the categories below.

### **Member Type**

Identify the type of membership by selecting either General or Safety.

### **Tier**

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Granted Position Last Held**

Report "Y" for Yes, if this is the basis on which the COLA is provided. Report "N" for No, if the COLA is not provided on this basis.

### **Index to Active Member Increase**

Report "Y" for Yes, if this is the basis on which the COLA is provided. Report "N" for No, if the COLA is not provided on this basis.

### **Index to Consumer Price Index**

Report "Y" for Yes, if this is the basis on which the COLA is provided. Report "N" for No, if the COLA is not provided on this basis.

### **Maximum Annual Increase**

Report the maximum annual rate allowed as cost of living.

### **None**

Report "Y" for Yes, if a COLA is not provided.

### **Other**

If "Other" is reported, describe the basis adopted for COLA in a footnote. If preparing a paper report, please describe the reason for using this "Other" basis on the **Comments Form**.

## **Statement of Service Retirement Benefit Policies - Final Average Salary Form:**

The purpose of this form is to report the final salary basis adopted for the calculation of service retirement benefits.

### **Specific Instructions:**

This form is to be completed by the public retirement system in its initial year of reporting to the California State Controller, and whenever service retirement benefit policies are changed. Identify the final salary basis used to calculate the retirement benefits from one of the categories listed below.

### **Member Type**

Identify the type of membership by selecting either General or Safety.

### **Tier**

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Position Last Held**

Report "Y" for Yes, if this is the basis on which the Final Average Salary is provided. Report "N" for No, if the Final Average Salary is not provided on this basis.

### **Highest Year(s) Average**

Report the number of highest pay years required, if this is the basis on which the Final Average Salary is provided

### **Final Year's Average**

Report the number of the final years required, if this is the basis on which the Final Average Salary is provided

### **Compensation at Time of Retirement**

Report "Y" for Yes if this is the basis on which the Final Average Salary is provided. Report "N" for No, if the Final Average Salary is not provided on this basis.

## **Statement of Service Retirement Benefit Policies - Percent Per Year of Service and Social Security Coverage Form:**

The purpose of this form is to report the service retirement benefits as a percentage of final average salary per year of service and identify the relationship between retirement benefits and social security.

### **Specific Instructions:**

This form is to be completed by the public retirement system in its initial year of reporting to the California State Controller, and whenever service retirement benefit policies are changed.

### **Member Type**

Identify the type of membership by selecting either General or Safety.

### **Tier**

Identify the membership tier by selecting Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Age 50**

Report the service retirement benefits as a percentage (e.g., 9.99) of final average salary per year of service, if retired at age of 50.

### **Age 55**

Report the service retirement benefits as a percentage (e.g., 9.99) of final average salary per year of service, if retired at age of 55.

### **Age 60**

Report the service retirement benefits as a percentage (e.g., 9.99) of final average salary per year of service, if retired at age of 60.

### **Age 65**

Report the service retirement benefits as a percentage (e.g., 9.99) of final average salary per year of service, if retired at age of 65.

### **Social Security Coverage**

Select the applicable coverage method adopted from the categories listed below. If preparing a paper report, enter "1" for Integrated, "2" for Supplemental, and "3" for None Coverage.

Integrated – If benefits are at a lower rate in order to offset, in part or in whole, the benefits payable under social security, a system is considered integrated.

Supplemental – If members are covered by social security, but benefits are not offset, a system is considered to have supplemental social security coverage.

None – If members have no social security coverage.

## **Statement of Service Retirement Benefit Policies - Service Retirement Benefits Form:**

The purpose of this form is to report any comments needed to help explain the information included in this report.

### **Special Instructions:**

This form is to be completed by the public retirement system in its initial year of reporting to the California State Controller, and whenever service retirement benefit policies are changed.

### **Benefits**

Use this space to provide any comments related to the benefits information reported, such as benefit information contained in the notes of the retirement system's financial statement audit. This information may be published in the *Public Retirement Systems Annual Report* together with the data reported by the retirement system.

## **Statement of Disability Benefit Policies - Disability Benefits as a Percentage of Final Average Salary Form:**

The purpose of this form is to report the disability benefits for non-service and service disabled retired employees.

### **Specific Instructions:**

This form is to be completed by the public retirement system in its initial year of reporting to the California State Controller, and whenever service retirement benefit policies are changed.

### **Member Type**

Identify the type of membership by selecting either General or Safety.

### **Tier**

Identify the membership tier by selecting either Tier I, Tier II, Tier III, Tier IV, Tier V, or Tier VI for General Members and Tier I, Tier II, or Tier III for Safety Members. **Please do not use Safety Tiers IV, V, or VI.**

### **Non-Service Disability Per Year (%)**

Report the non-service disability benefits as a percentage of Final Average Salary per year of service.

### **Non-Service Disability Maximum (%)**

Report the maximum of non-service disability benefits as a percentage of Final Average Salary.

### **Service Disability Per Year (%)**

Report the service disability benefits as a percentage of Final Average Salary per year of service.

### **Service Disability Maximum (%)**

Report the maximum of service disability benefits as a percentage of Final Average Salary.



## **Statement of Disability Benefit Policies - Disability Benefit Comments Form:**

The purpose of this form is to report any special requirements regarding disability benefits or any information needed to help explain what is being reported.

### **Specific Instructions:**

Provide explanatory information in the space provided.